

## **Process management enables managers to reduce spending by 35 percent**

### **Problem**

A professional services support function with 62 managers and 800+ employees within a large manufacturing company was being considered for **outsourcing** after a surge of internal complaints. The indicators revealed low satisfaction with service from this support function. Employees working and managing this support function were seemingly fighting off immediate hot issues, but there were no systematic change efforts to become better. Different business locations had different practices for each of the 12 processes that this support function managed. Resources were deployed in an ad-hoc fashion and no assessment was ever done to measure the performance of these key processes.

### **Approach**

**Process Management** framework was introduced and managers were trained on the methods. A **dashboard system** with real time data was established. Personnel were trained on key tools such as **CTQ**, **Control Charts** and **FMEA**. Management accountability and jobs were redesigned to fit the key processes.

### **Results**

Senior management established and implemented **controls** that helped them make decisions. This in turn led to better **resourcing ratios**, prevented emergency situations, and reduced **hidden factories** and operating spend. The management system allowed managers to identify projects that had measurable and convincing business cases. These projects led to quick improvements and met their functional quality improvement targets. This enabling solution also convinced the company's executive management not to consider outsourcing this function. These efforts led to 35% in actual spend reduction in addition to the soft costs savings.